United Nations DP/2005/14

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
14 March 2005

Original: English

Annual session 2005
13 to 24 June 2005, New York
Item 1 of the provisional agenda
Organizational matters

Report on the first regular session 2005 (20 to 28 January 2005, New York)*

Contents

Chapter		*Page*
I.	Organizational matters	2
	UNDP segment	
II.	Financial, budgetary and administrative matters	4
III.	Country programmes and related matters	5
IV.	Gender in UNDP	7
V.	United Nations Capital Development Fund	8
VI.	United Nations Office for Project Services	9
VII.	South-South cooperation	11
	Joint UNDP/UNFPA segment	
VIII.	Recommendations of the Board of Auditors	12
IX.	Report to the Economic and Social Council	13
X.	Programming process	15
	UNFPA segment	
XI.	Financial, budgetary and administrative matters	17
XII.	Resource allocation system	19
XIII.	Country programmes and related matters	20
IV.	Other matters	21
	Joint session of the Executive Boards of UNDP/UNFPA, UNICEF and WFP (20-24 January 2005)	22

* The compilation of data required to provide the Executive Board with the most current information has delayed the submission of the present report.

05-26904 (E) 200405

I. Organizational matters

1. The first regular session 2005 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, New York, from 20 to 28 January.

2. The Executive Board elected the following members of the Bureau for 2005:

President: H.E. Ms. Carmen María Gallardo Hernández	(El Salvador)
Vice-President: Mr. Andriy Nikitov	(Ukraine)
Vice-President: Ms. Ulrika Cronenberg-Mossberg	(Sweden)
Vice-President: Mr. Tesfa Alem Seyoum	(Eritrea)
Vice-President: Mr. Arjun Bahadur Thapa	(Nepal)

3. Upon her election, the new President made an introductory statement that was posted on the website of the Executive Board secretariat at www.undp.org/execbrd.

4. The Executive Board approved the agenda and workplan for its first regular session 2005 (DP/2005/L.1 and Corr.1), as orally amended, and its annual workplan 2005 (DP/2005/CRP.1). The Executive Board also approved the report on the second regular session 2004 (DP/2005/1).

5. Decisions adopted by the Executive Board in 2004 appeared in document DP/2005/2, while decisions adopted at the first regular session 2005 were included in document DP/2005/15, which could be accessed on the website of the Executive Board secretariat at www.undp.org/execbrd.

6. The Executive Board agreed in decision 2005/14 to the following schedule of sessions of the Executive Board in 2005:

Annual session 2005:	13 to 24 June 2005 (New York)
Second regular session 2005:	6 to 9 September 2005

Statement by the Administrator

7. In his address to the Executive Board, the Administrator, UNDP, highlighted the current mood of international development and set the tone for the coming year, drawing particular attention to:

(a) The launch of the Millennium Project report to the Secretary-General – *Investing in Development*;
(b) The formation of a broad consensus of development actors to halve extreme poverty by 2015;
(c) The twin tracks of the United Nations 2005 agenda: *security and development*, stressing the importance of simultaneously addressing the needs of the poor and the wealthy;
(d) The need to realize these goals – in the light of current global crises – by repositioning UNDP and the United Nations Development Group (UNDG) at the heart of new nationally owned and led development strategies focused on the Millennium Development Goals (MDGs), and establishing an MDG framework to drive the poverty reduction strategy (PRS) process;

(e) The need to enhance UNDP expertise in capacity development and advocacy; and

(f) The importance of UNDP stewardship of the resident coordinator system, for which UNDP would seek approval for and implement a new resources and reform package, including the appointment of 40 country directors.

8. Appointed United Nations Chief of Staff, the Administrator expressed regret that he had to leave UNDP well before his term ended. Thanking Board members for their strong support, he assured them that his successor would be selected through a transparent and competitive process.

9. Delegations congratulated the Administrator on his appointment as United Nations Chief of Staff, underlining their trust in his unique ability to promote the international development agenda at the global level. Expressing regret at his departure and applauding his tireless commitment to development, Board members commended the Administrator for his visionary leadership in guiding UNDP through a challenging yet vital reform period.

10. Delegations supported the Administrator's strategy for moving forward in 2005, particularly regarding United Nations reform at the country level. They drew attention to the ongoing need to strengthen the resident coordinator system – ensuring better funding, efficiency and effectiveness – and to step up efforts in poverty reduction, public administration, anti-corruption, gender mainstreaming and equality, public-private partnerships, capacity building and MDG-PRSP alignment by promoting and engaging the national/local private sector and civil society, especially in the least developed countries (LDCs).

11. In general, they urged the organization to enhance its performance monitoring, accountability and oversight techniques, and stressed the importance of national ownership of development programming.

12. Highlighting the recommendations set out in the Millennium Project report and the General Assembly triennial comprehensive policy review (TCPR) resolution (A/RES/59/250), delegations stressed the need to translate words into concrete results at the country level. The report, several indicated, should be viewed in the context of major United Nations conferences such as the World Summit on Sustainable Development and the International Conference on Financing for Development, in particular with regard to trade, debt relief, technical assistance and transfer, and good governance.

13. Delegations underscored the important role of UNDP in the transition from crisis to recovery to development, pointing to its role in tsunami relief efforts and in achieving the MDGs in Africa.

14. Pleased with current trends in official development assistance and the steady increase in regular (core) resources, they stressed the importance of tailoring aid to regional and country needs, while calling on donor countries to do their utmost to meet the agreed 0.7 per cent of gross domestic product to meet the MDGs, as laid out in the Millennium Summit report.

15. In response, the Administrator began by thanking delegations for their close cooperation with the Board and UNDP management, and donor countries for their increased contributions. Their support was crucial to realizing the MDGs and the recommendations laid out in the Millennium Project report, which, he stressed, were

intimately interconnected. Both would ensure that a precise set of development and security objectives would find a prominent place in the debate at the 2005 General Assembly Major Event and in the United Nations agenda for the coming years. In that regard, he asserted the potential catalytic role of the March 2005 meeting of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

16. In conclusion, the Administrator emphasized that the success of the organization's work in all areas hinged on urgently needed broader United Nations reforms, especially with regard to transparency and effectiveness, to ensure its long-term legitimacy. He spoke in particular of the organization's vital role in crisis prevention and recovery and in building partnerships with national stakeholders, especially the private sector, to mitigate the effects of disaster situations.

UNDP segment

II. Financial, budgetary and administrative matters

17. In discussing the revision of UNDP financial regulations (DP/2005/3), the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (DP/2005/4) and reporting on UNDP income from cost recovery (DP/2005/CRP.4), delegations expressed approval for the proposed revisions to the financial regulations, with two exceptions: (a) allowing commitment of resources against future receipt of contributions in certain instances; and (b) permitting exceptions to separations of duties in cases of emergency or staff shortages. Requesting that UNDP provide information to the Board on the proposed risk guidelines and pursue an independent expert assessment on the issue, the Board decided to defer consideration of the proposed revisions to the annual session in June 2005.

18. Delegations supported proposed revisions on programming modalities, seeing them to be in accordance with simplification and harmonization endeavours.

19. Welcoming the proposed model for reporting on cost recovery, delegations raised concerns about cross-subsidization from other areas, transparency for stakeholders, and the relationship to earmarked contributions. They asked about the potential role of Atlas, and encouraged UNDP to report separately in the future on cost recovery and to provide details in the biennial support budget. The approach to and reporting on cost recovery should be harmonized among agencies.

20. In response, the Director, Office of Finance and Administration, Bureau of Management, stated that the ability to enter into commitments on the basis of approved future receivables was an important tool for UNDP to manage donor funding allocated via instalments, without which projects could be delayed and/or inefficiently managed. To support that effort, the risk management guidelines, to be issued by the Administrator, would include such elements as requirements for legally binding agreements with donors, performing risk assessments on donor and country office past performance, exploration of other donor payment options such as letter of credit modalities, and implementation of oversight and control mechanisms.

21. The Comptroller, UNDP, emphasizing that the proposed revisions on separation of duties dealt solely with exceptions, reiterated that stringent controls and thresholds, irrespective of circumstances, were in place to pre-empt potential errors, highlighting in particular improvements rendered through Atlas. He assured delegations that UNDP consulted regularly with the Board of Auditors on those matters.

22. The Executive Board adopted decision 2005/1 on the revision of UNDP financial regulations.

23. The Board took note of the report of the ACABQ on the revision of UNDP financial regulations and the report on reporting of UNDP income from cost recovery.

III. Country programmes and related matters

Approval of country programmes

24. In introducing the item on country programmes, the President reiterated that in accordance with decision 2001/11 country programmes would be approved at each first regular session in January on a no-objection basis without presentation or discussion, unless at least five Board members had informed the secretariat in writing before the meeting of their wish to bring a particular country programme before the Executive Board.

25. The Executive Board approved the following UNDP country programmes submitted in 2004 on a no objection basis without presentation or discussion: Angola, Burundi, Lesotho, Madagascar, Mauritius; the Democratic People's Republic of Korea, Islamic Republic of Iran, the Philippines, the Republic of Korea; Armenia, Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, the former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro, Tajikistan, Turkmenistan, Uzbekistan; Argentina, Guatemala.

26. In connection with the country programme for the Democratic People's Republic of Korea, the delegation of Japan stated that there remained unsolved issues between Japan and the Democratic People's Republic of Korea relating to sovereign human rights and humanitarian issues, such as abductions of Japanese nationals. Japan therefore found it difficult to actively support the draft country programme. Japan requested further details of the programme; concrete plans for implementation of the projects; monitoring of recipients; and requested regular, detailed monitoring reports of future projects.

27. The United States delegation noted that the Global Fund would not be disbursing funds for activities in that country since the parties involved could not reach an agreement. The delegation also stated the need for UNDP to enhance its monitoring efforts to ensure that aid reached the intended beneficiaries.

28. The delegation of the Democratic People's Republic of Korea noted that the country had agreed to undertake an annual evaluation as mentioned in the draft country programme document, and that there was a continuous monitoring programme of all activities in the country. They stated that the abduction issue had

been resolved by the Pyongyang Declaration, and regretted any opposition to the normalization of relations between the Democratic People's Republic of Korea and Japan, adding that further discussion of these subjects should be conducted in a more appropriate forum.

Subregional programme for the OECS and Barbados

29. In discussing the draft subregional programme document for the countries of the Organisation of Eastern Caribbean States and Barbados (DP/DSP/CAR/1), delegations, conveying their support, stressed the need to focus on poverty reduction, social sector development, building a regional database (necessary for any progress) in line with *Human Development Report* (HDR) recommendations, risk reduction and disaster management, United Nations regional coordination, and greater resource mobilization. They emphasized the need to draw on strategies laid out at the United Nations Conference on Small Islands in Port Louis, Mauritius and the World Conference on Disaster Reduction in Kobe, Japan.

30. Assuring delegations that their comments would be reflected in the finalized subregional programme, the Director, Regional Bureau for Latin America and the Caribbean, noted that the subregional programme document was prepared prior to the Mauritius and Kobe conferences and that UNDP would benefit greatly from those conferences in implementing the programme in the Caribbean, especially in disaster risk management. She underlined the importance of integrated data collection, including best practices, to reach appropriate diagnoses in advance. In appealing for an increase in resources, she stressed that serious, immediate funding of preventive measures would go a long way toward curtailing the allocation of vast sums on money on disaster relief efforts later on.

31. The Board would take up the draft subregional programme document for the countries of the Organisation of Eastern Caribbean States and Barbados for approval at its annual session in June 2005.

Assessment mission to Myanmar

32. Endorsing the conclusions and recommendations of the report of the independent assessment mission to Myanmar (DP/2005/6), delegations commended efforts to reduce poverty in rural areas. They encouraged UNDP to seek additional funding, help to improve national monitoring and evaluation mechanisms (expressing special interest in the recently conducted Agriculture Sector Review), engage in policy dialogue for pro-poor change, and pursue dialogue with local actors to expand the Human Development Initiative (HDI). They requested that the Administrator take account of and implement the findings of the independent assessment mission, and urged UNDP, in expanding the programme, to ensure that quality is maintained, taking into account the findings of the 2004 evaluation (DP/2004/8).

33. The Resident Coordinator, Myanmar, thanked delegations for their strong support and relayed his intention to share the outcome of the Agriculture Sector Review and the Household Living Conditions Survey as soon as they were finalized.

34. The Executive Board adopted decision 2005/3 on the assessment mission to Myanmar.

Global programme, 2005-2007

35. In decision 2005/2 on the global programme, 2005-2007 (DP/GP/1), delegations opted to extend the UNDP second global cooperation framework, 2001-2003, (DP/GCF/2) for one year until 31 December 2005, and requested that the Administrator take all necessary measures to ensure that the extension of the second global cooperation framework would not have an adverse impact on programme countries. UNDP was asked to submit the revised global programme, together with a workplan – developed in full consultation with Member States – at the annual session in June 2005. In doing so, UNDP should take into account issues of national ownership and leadership of the development process as laid out in the multi-year funding framework, 2004-2007 (DP/2003/32) and the recent TCPR resolution.

36. The Executive Board adopted decision 2005/2 on the global programme without discussion in the plenary.

IV. Gender in UNDP

37. In discussing the UNDP corporate strategy and action plan for gender in 2005 (DP/2005/7) and the update on progress achieved in the partnership between UNDP and UNIFEM (DP/2005/CRP.2), delegations expressed support and encouragement, in particular for efforts to strengthen the partnership between UNDP and the United Nations Development Fund for Women (UNIFEM).

38. Delegations raised some concerns, seeking in particular detailed information on how the organization intended to implement the corporate strategy and action plan and within what timeframe. They drew attention to the possible overlap with programmes mandated and run by the United Nations Conference on Trade and Development (UNCTAD).

39. In that regard, they encouraged UNDP to follow the recommendations laid out in the recently adopted General Assembly TCPR resolution and other instruments, such as the Beijing Platform for Action, in which the gender agenda had already been well established. The rich experience of UNIFEM should likewise provide innovative approaches and best practices.

40. Furthermore, underlining the importance of local ownership, they queried whether certain proposed activities surpassed the UNDP mandate, especially on judicial reform.

41. In urging UNDP to pursue its efforts to provide gender training at headquarters and in country offices, delegations advocated greater awareness-raising, the adoption of gender-responsive budgeting and the inclusion of women's rights in all national development strategies. In that regard, they stressed the need for more reliable performance indicators, including qualitative and quantitative gender-disaggregated MDG indicators, and regular gender auditing with baseline data and monitoring.

42. They emphasized the importance of gender work in democratic governance, HIV/AIDS, trade negotiations and knowledge sharing for the achievement of the MDGs. In all those areas, they underlined the crucial role that men needed to play in making progress on the gender agenda.

43. In response, the Director, Bureau for Development Policy, underlined that implementation of the proposed corporate strategy and action plan ultimately depended on the results of the ongoing independent evaluation. UNDP would thus need to report back to the Board at its annual session in June 2005 on an exact timeline, accountability mechanisms and monitoring benchmarks. He emphasized that UNDP gender work strictly supported nationally developed and owned gender strategies and programmes, in line with TCPR recommendations. Concurring on the crucial role of men, especially in HIV/AIDS work, he drew attention to new gender training methods for men based directly on field experience.

44. Speaking on the UNDP-UNIFEM partnership, the Executive Director, UNIFEM, highlighted the strengthened partnership between UNIFEM regional programmes and UNDP regional centres in Central and Eastern Europe and the Commonwealth of Independent States and Southern and East Africa. She drew attention to the many good examples of existing UNDP-UNIFEM partnerships. She responded to questions about strengthening access of senior management to good practices by indicating that discussions were taking place between UNDP and UNIFEM to use the UNDP Virtual Development Academy or to develop a training institute that would build knowledge of field staff and partners about innovative initiatives in support of gender equality and women's empowerment. She concluded by stressing that the organization must set up the proper mechanisms to ensure that the gains of Beijing+10 were not lost but closely connected to the General Assembly Major Event in September 2005.

45. The Director, Office of Human Resources, highlighted the organization's gender-sensitive learning programmes, including the close cooperation between the Learning Resource Centre and UNIFEM, and the gender focused curriculum of the Virtual Development Academy. Noting that important resources were funnelled into gender capacity building, he stressed that UNDP was dedicated to providing gender training to staff at all levels and intent on achieving its gender balance goal.

46. In taking note of the proposed corporate strategy and action, the Executive Board decided in its decision 2005/4 to defer further consideration of the report to the annual session 2005.

47. The Board also took note of the update on the progress achieved in the partnership between UNDP and UNIFEM (DP/2005/CRP.2).

V. United Nations Capital Development Fund

48. In discussing options for a future business model for UNCDF (DP/2005/8), delegations reiterated that UNCDF was mandated by the General Assembly to provide capital assistance first and foremost to the LDCs.

49. Members from LDCs and a number of donor countries expressed their staunch support for maintaining an independent UNCDF as a Fund whose investments and technical support concretely serve LDC needs for increasing access to financial

services and decentralization/local development. They cited the Fund's good results and clear niche at a time when emphasis was placed on investing in development to achieve the MDGs at the local level. They underlined its important role in empowering women. Seeking a favourable consensus, they called for an increase in resources and the urgent appointment of a new Executive Secretary.

50. Some delegations preferred a fuller integration of UNCDF into UNDP (DP/2005/8, option 4). In support, they stressed the uncertain viability and effectiveness of small United Nations agencies, the principle of simplification and harmonization, and the perception of overlapping areas of focus of UNCDF and UNDP.

51. Delegations ultimately reached a consensus to maintain UNCDF as an independent organization focused on reducing poverty and achieving the MDGs in the LDCs (DP/2005/8, option 3, sub-option 4). This option, they noted, served to maximize efficiency and effectiveness by enabling the continuation of the Fund's valued LDC-focused investment mandate, while furthering simplification and harmonization through partial financial integration with UNDP.

52. They commended UNCDF for its already significant efforts to harmonize and integrate its operations with those of UNDP in areas such as country programming, joint programmes, common shared support services and cost recovery policies, thus significantly reducing the administrative and procedural burden on the organization and its national partners. They urged UNCDF to ensure its operations were integrated into the strategic approach of the United Nations in each LDC.

53. Board Members stressed that the future survival and ability of UNCDF to fulfil its mandate effectively hinged on its access to predictable and sustained multi-year funding. They asked UNDP to assist UNCDF in mobilizing programme resources, and emphasized that sustained additional funding for UNCDF programmes would need to be forthcoming from traditional as well as new donors.

54. They requested that the Administrator provide a detailed implementation plan for option 3, sub-option 4 – including budgetary, legal and programming arrangements – for discussion at the annual session in June 2005. They asked the Administrator to appoint a new Executive Secretary as soon as possible.

55. The Associate Administrator, UNDP, and Officer-in-Charge, UNCDF, thanking delegations for their strong support for UNCDF to expand its work in the LDCs, looked forward to the revitalization and financial recapitalization of the Fund following the decision of the Board on its future.

56. The Executive Board adopted decision 2005/5, selecting option 3, sub-option 4 – an institutionally independent UNCDF with partial financial integration with UNDP – as the future business model for UNCDF.

VI. United Nations Office for Project Services

57. Delegations discussed the progress report of the Executive Director on activities of UNOPS, highlighting projected 2004 budget performance, the revised budget estimates for 2005 and updates on the evolving corporate strategy (DP/2005/9), as

well as the report of the Management Coordination Committee (MCC) on the assessment of progress in UNOPS (DP/2005/10).

58. Delegations expressed satisfaction with UNOPS significant level of business acquisition in 2004, clearly demonstrating the ongoing demand for its services. While noting the MCC concerns expressed by the Comptroller, they approved the budget estimates indicating that 2005 expenditures would be covered by revenues earned during 2005, and that the change management programme would remain a priority and be adjusted according to the availability of funds.

59. They were pleased with UNOPS growing diversity of clients and the trend towards greater provision of services in crisis, post-conflict and transition countries. They encouraged UNOPS to continue to expand and diversify its client portfolio to ensure business viability, especially in the area of public works.

60. Underlining that 2005 would be a watershed year for UNOPS, delegations encouraged it to make every effort to improve its financial management, control systems and reporting, and remain committed to achieving a clean audit for the biennium 2004-2005.

61. There was a general request that the Board be regularly updated on UNOPS efforts throughout 2005, including on the possible revising of financial regulations. In that regard, delegations encouraged UNOPS to adopt private sector accounting methods, and be given more time to balance its cost base with revenue levels. There was a call for UNOPS to report specifically to donors on any major setbacks in 2005, and on change management at the annual session.

62. Noting that with a 7 to 8 per cent financial margin UNOPS could be considered a cost-effective agency, delegations indicated that UNOPS should remain an independent agency, opposing the possibility of merging with other bodies, such as the Inter-Agency Procurement Services Offices (IAPSO). Citing the UNDG Executive Committee and the GreenTree report, they highlighted that UNOPS had a tangible role to play at the field level in efforts to reduce transaction costs of operational activities for development.

63. They requested that the Executive Director prepare for the second regular session 2005 a comprehensive plan of action, in consultation with the MCC, on further measures to be implemented in 2006 to enhance the efficiency of business operations, ensure cost reductions, continue the change management process, and achieve sustainable financial viability.

64. Thanking Board members for their support and advice, the Executive Director, UNOPS, addressed a number of their concerns. He stated that UNOPS had not suspended the change management process but was seeking to incorporate changes through the regular budget, which caused delays. He assured delegations that UNOPS was following seriously the recommendations of the Board of Auditors and working to prioritize issues accordingly in order to ensure a clean bill of health financially. With regard to imprest accounts, there had been no financial setbacks or improprieties to report. Transfer to Atlas, while ultimately positive, had complicated and delayed the issuance of budget performance figures in 2004. He indicated that in developing the corporate strategy for 2005, UNOPS was determining its added value and potential working relationship with other bodies in the same field, in particular IAPSO.

65. The Comptroller, United Nations, stressed that UNOPS remained in a precarious situation and that 2005 would be a critical year for its future. Having approved the 2005 budget with hesitation, he expressed concern that the projected 40 per cent increase in revenue in tandem with a reduction in expenditures for 2005 might not be plausible. He commented that addressing issues such as expensive duty stations might help to reduce the cost base, along with a move to determine which activities were more or less profitable.

66. The Executive Board adopted decision 2005/6 on the progress report of the Executive Director of UNOPS.

VII. South-South cooperation

67. In discussing the third cooperation framework for South-South cooperation (DP/CF/SSC/3/Rev.1 and Corr.1), Board members congratulated the Director on his appointment as chief of the Special Unit and expressed their strong support for the third cooperation framework.

68. In noting the Special Unit's ambitious work programme, some delegations expressed concern that implementation designs were still rudimentary, particularly with regard to management and resource mobilization, as they would be key to successful implementation of the framework.

69. Delegations emphasized the importance of demand-driven support, based on the needs of the LDCs, small island developing states (SIDS) and landlocked countries in particular. Commending efforts to promote the private sector, they stressed that focus should not be solely on trade but on ways to establish mechanisms for increased technology exchanges and investment.

70. They stated that triangular cooperation should be an integral part of South-South initiatives, and highlighted the need to promote South-South cooperation in prevention for and recovery from natural disasters.

71. Member countries requested the Administrator to include in its report to the High-Level Committee on South-South Cooperation (SSC/14/2) in May 2005 a detailed strategy for the implementation of the framework, including mobilization of resources, and inform the Executive Board thereon. They also asked the Administrator to hold periodic consultations with Board members, and to report to the Board at its annual session 2006 on progress achieved in implementing the third cooperation framework.

72. In thanking delegations for their support, the Director, Special Unit for South-South Cooperation, clarified that the three shifts in the framework were meant to create a better enabling environment for policy dialogue, public-private partnerships and knowledge sharing. The latter, which went beyond only South-South to North-South exchanges, would in part serve to permeate UNDP with the spirit of South-South cooperation. In that regard, a new experts' roster domain was being developed that would benefit both developing and developed countries.

73. With regard to public-private partnerships, the Special Unit would seek to take advantage of existing technical networks rather than create new agreements, the aim being to expand knowledge exchanges within and across regions.

74. He assured delegations that UNDP would work to ensure that all initiatives were demand-driven based on country needs. The Special Unit, he affirmed, demonstrated needed flexibility in responding to disaster situations and was in the process of creating simplified guidelines for tsunami contributions. Furthermore, the Unit had offered to use the South-South Trust Fund as the main account for receiving tsunami contributions from developing countries.

75. The Executive Board adopted decision 2005/7 on the third cooperation framework for South-South cooperation.

Joint UNDP/UNFPA segment

VIII. Recommendations of the Board of Auditors

76. Delegations welcomed the report on the implementation of the recommendations of the Board of Auditors for the biennium 2002-2003 for UNDP (DP/2005/11 and DP/2005/CRP.3) and for UNOPS (DP/2005/12), and the UNFPA follow-up to the report of the United Nations Board of Auditors for 2002-2003: status of implementation of recommendations (DP/FPA/2005/1).

77. They noted that future reports should indicate the priority of the recommendations and an expected time frame for their implementation.

78. Delegations expressed concern that the Board of Auditors had modified its audit opinion on the financial statements of the organizations, although they recognized that all recommendations had been or were being implemented.

79. Some delegations requested additional information on the status of efforts to formulate a funding policy for end-of-service and post-retirement benefits; clear outstanding inter-agency balances; develop procedures to control inter-agency practices effectively; and evaluate independently the built-in internal controls of the Atlas system.

80. Regarding the observation that activating the audit trail could degrade and impact the Atlas performance system, one delegation sought assurances that the system would be tightened. Another recalled the framework to resolve issues contained in internal audit reports and looked forward to UNDP, UNFPA and UNOPS reporting at the annual session 2005 using that framework.

81. Some delegations asked UNFPA to finalize its guidance on the appointment of project auditors and terms of reference for audits in the context of the UNDG Inter-Agency Audit Task Force. They stated that priority should be given to the preparation of a technical note on the appointment of project auditors; requested an indication of the timeframe for this activity; and asked how compliance would be monitored and measured.

82. Some delegations asked UNOPS to explain the extent to which it had communicated with the Board of Auditors on follow-up and prioritization of steps; whether its action plan was overambitious; and what it was doing to foster a positive business culture and communication strategy.

83. Delegations stressed the importance of follow up to the recommendations of the Board of Auditors, especially in improving internal management control. They requested that future reports include an indication of priority of the recommendations and a time frame for their implementation.

84. In response to queries on how UNDP financial revisions would affect post-retirement benefits, the Director, UNDP Bureau of Management, indicated that the impact was limited to after-service retirement health insurance, which had become a liability. UNDP would conduct an assessment in late 2005 to take stock and look ahead.

85. The Deputy Executive Director (Management) stated that UNFPA had reconciled the outstanding balances with United Nations implementing agencies and had established improved reporting procedures. Regarding after-service medical benefits, UNFPA was working with the United Nations on costing and would consider various funding options. At present, the amount would be in the range of $60 million to $100 million. She agreed that the Fund should set priorities and target dates to implement the recommendations of the Board of Auditors.

86. Regarding the audits of nationally executed programmes, the Deputy Executive Director (Management) noted increased information for 2004 and said that additional information was still being received. UNFPA was a member of the UNDG inter-agency task group that was preparing a technical note, to be issued in mid-2005, on the appointment of project auditors. Regarding the audit trail and the Atlas system, UNFPA had tightened system controls and would undertake a review depending on the outcome of the independent evaluation.

87. The Chief Financial Officer, UNOPS, assured delegations that UNOPS maintained regular communication with the Board of Auditors. While concurring that the UNOPS audit plan was ambitious, she asserted that the amount of work was prodigious and necessitated action on all fronts. UNOPS would be willing to share details with the Board. She indicated that UNOPS was adopting private sector best practices to rectify internal anomalies. The change in funding had prompted the organization to reprioritize and refocus on high-risk areas, such as PeopleSoft and imprest accounts. A profitability analysis to be conducted in 2005 would help to determine UNOPS cost-benefit and business acceptance approval. She also emphasized the importance of UNOPS efforts to foster a positive working culture.

88. The Executive Board adopted decision 2005/8 on the implementation of the recommendations of the Board of Auditors.

IX. Report to the Economic and Social Council

89. In discussing the UNDP and UNFPA reports to the Economic and Social Council (E/2005/4-DP/2005/13 and E/2005/5-DP/FPA/2005/2, respectively), delegations agreed that the two organizations should maintain a sharp focus on follow up to the triennial comprehensive policy review (TCPR) resolution (A/RES/59/250). They called on both organizations to play a proactive role in strengthening the resident coordinator system; further simplifying programme procedures; reinforcing the focus on gender issues; and enhancing the United Nations contribution to post-crisis assistance.

90. There was support and encouragement for the lead role of UNDP in driving forward United Nations reforms, joint programming, simplification and harmonization, and alignment with national plans and priorities. Delegations were pleased that UNDG was preparing for the meeting of the Development Assistance Committee (DAC) of the Organisation for Economic and Co-operation and Development (OECD) in March 2005.

91. They also pointed out the need for an accountability framework for the United Nations Development Assistance Framework (UNDAF) and resident coordinator oversight of the UNDAF, as well as automatic reporting on the management response to evaluation outputs.

92. One delegation stressed the importance of forging an inclusive United Nations development system and the need to address goals of other major United Nations conferences and summits, not only the Millennium Summit. UNDP and UNFPA were encouraged to promote international scientific efforts geared to capacity-building in developing countries.

93. Delegations urged UNDP and UNFPA to participate actively in preparations for the General Assembly Major Event on the five-year review of the MDGs scheduled in September 2005.

94. With regard to UNFPA, delegations welcomed the informative report and were pleased to note the expanded donor base and the upward trend in contributions. Delegations also noted the events undertaken in connection with the tenth anniversary of the International Conference on Population and Development (ICPD).

95. Delegations recognized the need to fully finance the MYFF and encouraged UNFPA to be more ambitious in implementing the MYFF. Some delegations requested examples of where and how UNFPA was contributing to common country programming processes in support of national priorities and planning. They welcomed steps taken to strengthen monitoring and evaluation arrangements, as well as results-based planning.

96. The Director, Bureau for Resources and Strategic Partnerships, underlined the importance of the recent TCPR resolution and the organization's commitment to ensuring its implementation. Highlighting the UNDG commitment to the OECD DAC process, he indicated that the Administrator would make an important statement at the March 2005 meeting setting out the UNDG vision on simplification and harmonization. UNDP agreed with the need for an accountability framework and for ensuring a virtuous circle in the evaluation process. He asserted that the issues covered in the report to the Economic and Social Council reflected TCPR recommendations; UNDP simply followed the structure agreed on by Member States. UNDP would be willing to streamline the report further. He stressed the independent character of the Millennium Project report and assured delegations that UNDP was committed to working closely with governments to ensure national ownership of programming processes. He emphasized the importance accorded to the programming process at the country level and the MDG-PRSP alignment in the Millennium Project report. He concurred with the call to forge an 'inclusive' United Nations development system and address goals of all major United Nations conferences and summits.

97. The Deputy Executive Director (Programme) noted that the MYFF had promoted a culture of improved monitoring and a renewed emphasis on quantitative and qualitative analysis. The UNFPA Procedures Manual had been updated and was compatible with UNDG guidelines. UNFPA recognized the need to strengthen its analytical power to bring population dynamics, reproductive health and HIV/AIDS issues to the fore in policy dialogue, particularly to underscore their linkages with macroeconomic policies. He added that UNFPA recently held a workshop to better position itself vis-à-vis PRSPs. He assured the Board that the TCPR would drive the work of UNFPA and that it was committed to strengthening the resident coordinator system; simplifying programme procedures; reinforcing the focus on gender issues; and enhancing United Nations contributions to post-crisis assistance.

98. Referring to the UNFPA response to the tsunami disaster, he noted that for the first time UNFPA had been recognized as having a key role in humanitarian relief assistance. The Fund was addressing the survival and reproductive health needs of women in the tsunami-affected countries and their psychosocial needs. He underscored the importance of linking rehabilitation efforts to country programmes and emphasized the importance of post-conflict reconstruction and development. He took note of the comment concerning forging an inclusive United Nations and promoting capacity-building efforts in science and technology.

99. The Executive Board adopted decision 2005/9 on the reports to the Economic and Social Council.

X. Programming process

100. Following informal consultations, the Executive Board adopted decision 2005/10 on joint programming, which had been deferred from the annual session 2004.

UNFPA segment

Statement by the Executive Director

101. The Executive Director underscored the importance of 2005 as a year of review – the Millennium Declaration and Beijing+10 – and of renewed commitments to advance human rights and well-being. She expressed deep sympathy for those affected by the tsunami disaster.

102. She emphasized the need to demonstrate the linkages between reproductive health and rights and the achievement of the Millennium Declaration goals and stressed the importance of reproductive health, gender equality and women's empowerment in eradicating poverty. She underscored the urgency of the global development agenda and United Nations effectiveness and reform.

103. She identified efforts to make UNFPA a more effective development organization by emphasizing learning and training and through commitment to a unified United Nations field presence and reform process, including the resident

coordinator system. She noted the need to consider how best to position the Fund to respond to crisis situations such as the recent tsunami. She also highlighted the UNFPA special youth programme.

104. She was encouraged by the increased contributions in 2004. The number of donors had risen to a record high of 166 (compared to 69 in 1999). She thanked donors for their contributions and multi-year pledges and acknowledged that Member States had played a pivotal role in the Fund's work.

105. Numerous delegations commended UNFPA for its leadership in promoting the implementation of the Programme of Action of the International Conference on Population and Development (ICPD) and for its work in reproductive health and rights. They emphasized that universal access to reproductive health was essential for achieving the MDGs and underscored the need to link poverty alleviation with reproductive health, population and gender. Delegations said they would seek to ensure that reproductive health and rights were given due attention in the 2005 Millennium Declaration review. They supported the recommendation in the Millennium Project report to strengthen the focus on linkages between reproductive health and poverty eradication. Several delegations supported the introduction of an additional target to the maternal health goal – universal access to reproductive health services by 2015 through the primary health care system. Delegations underscored the need to include reproductive health and rights in the Secretary-General's report on the 2005 review.

106. Delegations expressed satisfaction with the direction, management and work of UNFPA. They congratulated UNFPA on its record number of donors, which reflected donor confidence and political support. A number of delegations announced increased contributions to UNFPA. Some announced multi-year commitments and encouraged others to do the same. Delegations underscored that UNFPA required increased resources to integrate reproductive health and rights in poverty reduction strategy papers (PRSPs) and sector-wide approaches (SWAps) to ensure that HIV prevention, gender equality and youth were addressed.

107. Several delegations commended UNFPA for its contribution to the tsunami relief efforts and acknowledged the particular needs of women. Delegations commended UNFPA for its special youth programme.

108. Delegations stressed the importance of reproductive health commodity security and called for increased funding and capacity development in that area. Several thanked UNFPA for promoting the MDGs in national processes. One delegation noted that it was organizing, with UNFPA, a high-level meeting in April in Stockholm to demonstrate how investments in reproductive health contributed to economic and social development.

109. Delegations welcomed the Fund's commitment to United Nations reform and the follow-up to the TCPR. They emphasized the need for broad ownership of the resident coordinator system and the UNDAF results matrix and the need to expand joint programming.

110. The Executive Director thanked delegations and appreciated the announcements regarding contributions and multi-year commitments. She welcomed the commitment of Member States to integrate reproductive health and the MDGs and to ensure that reproductive health and rights were adequately reflected in the 2005 Millennium Declaration review. She noted that gender equality and women's

rights were the basis of the Fund's work in human rights. She stated that UNFPA would endeavour to make its mandate better known, including its work in censuses, ageing and migration. She said that UNFPA was increasing its investment in strengthening national capacity to collect, analyse and utilize demographic data. She noted that UNFPA was flexible in responding to country needs and committed to addressing in-country disparities.

111. The Executive Director referred to actions that UNFPA had undertaken to increase organizational effectiveness, including a new staff evaluation system focusing on performance and competencies. She also noted that the Executive Board and External Relations Branch would be responsible for United Nations affairs and support to the reform process. She pointed out the need to increase core staff in humanitarian assistance, gender, culture and human rights. The Fund was currently utilizing project posts to support work in those units. She noted that she would inform the Board of the need for additional staff and assured it that UNFPA would act prudently.

112. Regarding coordination in the area of HIV/AIDS, she noted that UNFPA chaired a number of HIV/AIDS theme groups at country level and was an active co-sponsor and advocate of UNAIDS. UNFPA worked within the United Nations country teams to promote and follow-up on UNAIDS policies and recommendations. UNFPA also supported countries in accessing funds from the Global Fund. She agreed that it was essential to ensure reproductive health commodity security and hoped that Member States would advocate a budget line for commodities in national budgets. She concurred that there should be broad ownership of the resident coordinator system and that resident coordinators should be given basic induction training on the mandates of all agencies. The Executive Director thanked delegations for their guidance and support.

XI. Financial, budgetary and administrative matters

113. The Deputy Executive Director (Management) introduced the following reports: (a) Revision of financial regulations (DP/FPA/2005/3); (b) Recovery of indirect costs for co-financing (DP/FPA/2005/5); and (c) Report of the Advisory Committee on Administrative and Budgetary Questions (DP/FPA/2005/4).

114. Numerous delegations appreciated the clarity of the introduction. They supported the simplification and harmonization agenda and the proposed revisions to the financial regulations. They welcomed plans to review the regulations to ensure that they were compatible with the UNDAF. They hoped that the revisions would not impose burdens on programme countries, particularly the LDCs. Delegations supported the simplification of the cost recovery system and agreed that multiple rates should be replaced by a single rate charged to all non-core expenditures. They noted that the ACABQ agreed with the proposed rate of 7 per cent.

115. Delegations emphasized that core resources should not subsidize the management of activities financed by non-core resources; some wondered if a single rate of 7 per cent would be sufficient. They underscored that the actual cost of an activity must be attributed to its funding source. In accordance with the TCPR resolution, delegations encouraged UNFPA to harmonize basic assumptions for the

cost-recovery policy to support United Nations reform at the country level. They wondered why UNFPA, UNDP and UNICEF had differing cost-recovery rates. Some delegations favoured revisiting the subject of cost recovery after the UNDG had made its recommendations for unified guidelines for cost recovery.

116. With regard to the expanded definition of "fully funded", delegations sought assurances that UNFPA would proceed prudently and minimize risks. Any exceptions should be defined narrowly and accurately. Several delegations sought clarification about the separation of duties in the financial control framework under the Atlas system. Some were of the view that a lower cost-recovery rate, namely 5 per cent, should be applied for nationally executed projects funded by a programme country. Delegations requested UNFPA to ensure transparency in reporting on revenues generated by the cost-recovery policy. They urged UNFPA to ensure proper training of country office staff on the new policies and procedures. Some delegations sought clarification about the different cost-recovery rates pertaining to procurement.

117. The Deputy Executive Director (Management) appreciated the supportive comments and advice. Concerning the expanded definition of "fully funded", she assured the Executive Board that UNFPA would mitigate any associated risk. Concerning indirect support costs, UNFPA had used the model advised by the Joint Inspection Unit and supported by the ACABQ. She stated that UNFPA had used the same cost-recovery methodology as UNDP and UNICEF. Applying that methodology to the costing over the last two bienniums, UNFPA had arrived at the single rate of 7 per cent. She noted that while the agencies might have different rates for cost recovery due to different mandates and cost structures, the methodology had been harmonized. She added that the UNDG and the high level committee on management would review the cost recovery issue and that UNFPA would keep the rate of 7 per cent under review.

118. Regarding the procurement query, she clarified that if procurement were an activity that was part of a programme, the cost-recovery rate of 7 per cent would apply. However, if it were a third-party procurement, a rate of 5 per cent would apply, as in those instances UNFPA was not involved in programme planning, monitoring and other activities. She assured the Executive Board that UNFPA was committed to harmonizing the cost-recovery policy to support United Nations reform at the country level. She added that UNFPA reported on cost-recovery income through its financial statements.

119. She noted that UNFPA regularly provided staff training in financial systems and welcomed co-financing contributions from programme countries. She indicated that the cost-recovery model that UNFPA applied did not distinguish between contributions from programme countries and those from other countries. UNFPA would review, as required, the rate applied to programme countries. She assured the Board that the revision of the financial regulations and other efforts at simplification and harmonization were intended to reduce the burden on programme countries.

120. The Director, Division for Management Services, observed that the concept of "fully funded" was not new. He noted that the expanded definition aimed to regularize a prevailing practice driven by the policy of the European Union. He assured the Executive Board that any associated risk was manageable. He emphasized that the Atlas system empowered UNFPA to monitor pledges and payments effectively. Noting that the Fund would develop specific guidelines, he

stated that UNFPA did not plan to allow extensive usage of the provision. Concerning the separation of duties, he emphasized that it was an underlying principle of internal control that no one person in the organization should be able to approve and process a transaction through its various stages. He stated that Atlas enabled UNFPA to ensure that the roles were divided. If the need arose, country offices could direct the transactions through the automatic workflow to either UNFPA headquarters or UNDP. He added that in the event of an emergency the country office could seek an exception, which would be made while ensuring that basic controls existed.

121. The Chief, Finance Branch, Division for Management Services, said that the Atlas system had given UNFPA a sound financial control framework. Concerning the query on whether core resources would be used to subsidize non-core activities under the expanded definition of "fully funded", he assured the Executive Board that that would not be the case. He added that the accounting system segregated core and non-core resources. With regard to reporting on income from cost-recovery, he confirmed that UNFPA reported to the Executive Board on those income streams in its financial statements and the biennial support budget. In revising the financial regulations, UNFPA had sought inputs from its country offices and had created an internal task force to guide the process. He stated that UNFPA had provided training in the new financial systems and Atlas last year; additional training for country office staff was planned this year.

122. The Executive Board adopted decision 2005/11 on the revision of UNFPA financial regulations and decision 2005/12 on the recovery of indirect costs for co-financing.

XII. Resource allocation system

123. The Executive Director introduced the report on the review of the system for the allocation of UNFPA resources to country programmes (DP/FPA/2005/6).

124. Several delegations commended UNFPA on the quality of the document and the transparent informal consultations held during the review process. Delegations approved the approach used to update the resource allocation system; endorsed the procedure for country classification; and approved the share of resources by country group outlined in table 4 of the report (DP/FPA/2005/6). Delegations welcomed the simplification of the system and the Fund's plan to synchronize the resource allocation system cycle with the multi-year funding framework (MYFF) cycle. They underscored the importance of alignment with the MDGs and noted that the effectiveness of the system should be measured not by the levels of disbursement of resources but by the level of achievement of the ICPD goals and the MDGs. Delegations underlined the need for improved data systems.

125. Delegations appreciated that the resource allocation system would continue to give priority to LDCs and countries in Africa. Two delegations suggested that 60 per cent of programme resources should go to LDCs. Some stressed that the distribution of resources to countries should take into account their actual needs and population size, noting that the focus should be on countries that were the furthest away from achieving ICPD goals. Delegations also stressed that attention should be paid to the absorptive capacity of countries. One delegation noted that in a number of countries

with economies in transition, reproductive health problems persisted and there was a need for financial assistance. Emphasizing the importance of South-South cooperation, one delegation stated that it should be demand-driven and not supply-driven.

126. The delegation of Mexico cautioned that the reclassification of countries in the resource allocation system could threaten progress achieved. The delegation expressed concern that the reclassification of Mexico from a "B category" country to a "C category" country was based on outdated data for the indicator on the adolescent fertility rate. Had the most recent national data been used for that indicator, Mexico would have continued as a "B category" country.

127. The Deputy Executive Director (Programme) noted that UNFPA wanted to focus increased attention on LDCs while keeping in mind the principle of universality. He agreed that a number of countries with economies in transition, particularly in Central Asia, needed assistance. He concurred with the need to strengthen data systems and underscored that UNFPA was playing a key role in building capacity to collect, analyse and utilize data.

128. The Senior Strategic Planning Adviser noted that updating the resource allocation system had been a challenging task and thanked the Board for its guidance. A well-balanced system of resource allocation had been produced with highest priority accorded to "A category" countries, which included all LDCs. Assistance would also be provided to countries in "B category" and "C category" to ensure that the progress achieved was maintained. He stated that the availability of data for all countries had posed a major challenge and that UNFPA had relied on the most recent data available from recognized international sources. UNFPA understood the concern of Mexico. However, in order to have a universal system, it was necessary to use comparable data that had been collected and estimated in a similar way.

129. Regarding the LDCs, he noted that there had been a shift in the allocation of resources to "A category" countries from 37 per cent of programmable resources in 1995 to 46 per cent in 2003, an indication of the Fund's commitment to countries most in need. He noted that the issue of absorptive capacity should be taken into account when allocating resources to individual countries. Concerning the query on countries with economies in transition, he noted that resources would be allocated in line with the Executive Board approval of their new country programmes. He added that the updated resource allocation system, effective January 2005, would be in place until 2007; if necessary, there would be a further review and an effort to synchronize the system's cycle with the MYFF cycle.

130. The Executive Board adopted decision 2005/13 on the review of the system for the allocation of UNFPA resources to country programmes.

XIII. Country programmes and related matters

131. As per decision 2001/11, the Executive Board approved the following country programmes on a no-objection basis without presentation or discussion: Angola, Burundi, Madagascar, Islamic Republic of Iran, Philippines, Armenia, Azerbaijan,

Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Turkmenistan, Uzbekistan and Guatemala.

XIV. Other matters

132. The Executive Board held the following informal meetings:

UNDP. (a) Informal consultation on the UNDP global programme; (b) Informal briefing on the report of the Management Coordination Committee on the assessment of progress in UNOPS; and (c) Briefing on the tsunami disaster of 26 December 2004 (with UNFPA);

UNFPA. (a) Reproductive health commodity security: and (b) Briefing on the tsunami disaster of 26 December 2004 (with UNDP).

Joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP

Children and women affected by HIV/AIDS

133. Following opening comments by the President of the UNICEF Executive Board and the UNICEF Executive Director, the presentations addressed the priority issues of children and women made vulnerable by HIV/AIDS; provided examples of joint action in the United Nations system; and highlighted priority challenges for the United Nations system in strengthening individual agencies' and joint responses.

134. Speakers noted the progress that has been made for children and women affected by HIV/AIDS, including that increasingly, there are international frameworks for global and United Nations action, internationally endorsed targets, norms and standards, and increasing evidence of joint action across the United Nations system. Examples included school food and nutrition programmes, the rapid assessment, analysis and action planning in 17 sub-Saharan African countries, and increasing inclusion in PRSPs of a role for children and young people affected by HIV/AIDS.

135. But as the presentations and subsequent interventions made clear, there has not been sufficient action to address the rights of children and women made vulnerable by the pandemic. Agencies need to do more individually and together through such concrete opportunities as global initiatives like the Global Coalition on Women and AIDS and the Global Partners Forum on Orphans and Vulnerable Children; through efforts to strengthen the United Nations response to HIV/AIDS; and through United Nations reform and the TCPR.

136. The important links between the issues of affected children and women were highlighted, emphasizing that in particular, vulnerable children need access to sexual and reproductive health and rights in order to break the cycle of HIV transmission. Primary prevention and keeping parents alive are two of the most important strategies for reducing the vulnerability of children affected by HIV/AIDS. Tackling gender-based violence must be a key component of prevention strategies.

137. Speakers said that as a priority, the concerns of women and children made vulnerable by HIV/AIDS must be integrated into national development instruments such as PRSPs and national HIV/AIDS plans, as a priority. But at the same time, attention and support to the community level must increase, with an eye to strengthening community capacities to cope with the impacts of the pandemic. This included channelling resources to communities and tracking resources to ensure accountability.

138. It was also stressed that coordination of the global, regional, and national response to HIV/AIDS remains an immense challenge. The "three ones" principle provides a framework for addressing this, with an important emphasis on national ownership. This now needs to move beyond slogans to meaningful action on the ground. The United Nations system must promote and support action that is rights-based, gender-sensitive and nationally owned.

Gender

139. Following introductory remarks by the President of the UNDP/UNFPA Executive Board, the UNFPA Executive Director made a presentation on experiences and issues of gender mainstreaming. She underlined several examples of good inter-agency collaboration and pointed out the key challenges of insufficient resources for gender mainstreaming policies; the varying expertise of staff on gender issues; the limitations of gender-disaggregated data systems; and inadequate tracking, monitoring and accountability at significant levels.

140. The Director of the Women, Gender and Development Department of the African Union gave examples of institutionalized commitment to gender mainstreaming in the African Union, but also pointed out the weak ownership of the gender equality agenda by decision makers who often do not recognize that addressing gender issues and gender mainstreaming was a critical strategy for sustainable development.

141. In the ensuing discussion, members of the Executive Boards made a number of recommendations. For future joint meetings, it was suggested that there be one joint inter-agency document on gender, outlining common strategies and responsibilities, specific targets and accountabilities for gender mainstreaming in PRSPs, CCA/UNDAFs and government policies, and advocacy for linking the MDGs, the Convention on the Elimination of all Forms of Discrimination against Women and the ICPD Programme of Action. The document should include information on the agencies' resources, accountability and gender expertise. Targets and results should be expressed both qualitatively and quantitatively.

142. Speakers said that the agencies must work together on how to measure success in gender mainstreaming, in reducing inequalities between women and men, and to help countries to establish accountability systems in mainstreaming gender issues. The IMF and the World Bank should be more involved in gender mainstreaming strategies as PRSPs are key development frameworks. Donors should increase their financial support to gender mainstreaming efforts. Simultaneously, agencies should devote institutional core resources to gender mainstreaming and women's empowerment and not rely on extrabudgetary funding.

143. It was suggested that community intervention must be a part of gender mainstreaming strategies to build community ownership and accelerate behavioural and policy change on gender issues. Gender mainstreaming must be accompanied by specific attention to women's empowerment. For their part, agencies need to build institutional accountability, develop capacities at all levels of staff, perform gender audits and gender-responsive budgeting, and develop base-line data and means for tracking change. The concept of gender mainstreaming and tactics to achieve it must be clarified.

Transition from relief to development

144. The President of the WFP Executive Board introduced the item, stressing that the United Nations can play a potentially important role in transition. The representative of WFP spoke about the progress to date of the Joint Working Group,

saying that UNDG agencies were working together in post-natural disaster transitions (as in the Indian Ocean tsunami disaster), as well as in post-conflict transitions.

145. The UNICEF Executive Director said that the work of the UNDG Executive Committee on Humanitarian Affairs (ECHA) on transitions had a positive impact on the United Nations' ability to position itself for transition. The responsiveness of a strong resident coordinator system – combined with early support from the United Nations Office for the Coordination of Humanitarian Affairs - in the tsunami-affected countries was a positive example of progress. The Humanitarian Coordinator for Haiti presented a concrete example of how transition programming, following a natural disaster, is being tackled in the field. He reviewed the interplay of different United Nations structures in responding to the devastating floods of 2004, particularly the experience of collaborating with the United Nations peacekeeping mission.

146. Several delegations raised the importance of maintaining progress between the United Nations and the international financial institutions on developing creative options for financing for transitions. UNDGO was encouraged to extend its concrete partnerships to the regional development banks in addition to its ongoing cooperation with the World Bank. A number of delegations stressed the need to position transitioning programming firmly within government-owned processes and plans. The importance of capacity- building in this regard – though admittedly difficult in many post conflict-situations – was stressed. Several delegations mentioned that only with a longer-term outlook and longer-term assistance could the United Nations help address the structural causes that have led to conflict.

147. There was general agreement that the ECHA Working Group on Transition Issues should expand its work to include post-natural disaster transitions. Delegations expressed support for UNDGO plans to reinforce its support to country teams in this regard. Several delegations suggested that the lessons learned from tsunami recovery programming would be a useful starting point and potentially a good issue to discuss at a future joint meeting of the Executive Boards. Delegations approved of the Working Group's intentions to follow ongoing discussions on United Nations reform, including the High-Level Panel on Threats and Challenges. Several speakers said that non-governmental and informal discussions on reform should be viewed with caution, and that the agencies were guided in the area of transition primarily by resolutions of the Economic and Social Council.

148. The pivotal role of women in peace-building and rehabilitation processes was raised, with the particular example of El Salvador cited. Noting that gender had been identified by the Working Group as an area for further work, speakers encouraged UNDGO to pursue this.

149. Concluding the discussion, the President of the WFP Executive Board stressed: the need to clarify and agree on a common understanding of the word "transition"; the important role of UNDG in planning and implementing activities for transition (both post-conflict and post-natural disaster) and the need for the international financial institutions to fully engage with the UNDG agencies; the importance of the continuing direct needs of vulnerable populations in transition situations and the need for post-conflict needs assessments to reflect them; the need to ensure a humanitarian "space" in all United Nations missions; the need to examine the costs of coordination in transition situations; and the need for the Working Group to

continue working on practical, field-based support rather than waiting for the conclusions of United Nations reform processes.

Simplification and harmonization

150. The Associate Administrator, UNDP, described the status of simplification and harmonization in light of General Assembly resolution 59/250 of 22 December 2004 on TCPR. His intervention preceded remarks by the 2004 Chairmen of the UNDG Programme and Management Groups on progress since the last joint meeting of the Executive Boards. The regional and country-level perspectives – highlighted by the Director, Africa Division, UNFPA, the Secretary, Economic Affairs Division, Government of Pakistan and the Resident Coordinator, Pakistan – focused on regional best practices and country-level implementation initiatives based on national ownership.

151. Expressing their commitment to United Nations reform and underlining the significance of the General Assembly resolution, delegations highlighted that the United Nations system was under scrutiny at the country level, and viewed the TCPR as a call for action to work more effectively and efficiently. They pointed to the need to look beyond internal procedures in order to align with other agencies and stakeholders at the country level. They urged UNDG to seek greater involvement of United Nations organizations and expand collaboration with the international financial institutions.

152. The absence of clear targets and timelines for implementing the TCPR recommendations during the period 2005-2007 raised concerns. Delegations looked forward to a timetable and harmonization plan at the 2005 Economic and Social Council organizational session, and stressed the importance of the March 2005 meeting of the Development Assistance Committee of OECD. They noted potential joint programming costs and overlapping agency roles, which could blur accountability and transparency. Several delegations questioned the desirability of pooling funding mechanisms for joint programming.

153. In general, delegations encouraged UNDG to follow up on UNDAF evaluations, establish joint guidelines on cost recovery, clarify accountability of pooling arrangements, issue practical country team guidelines on capacity-building and technical cooperation, strengthen the inter-agency focus on gender, intensify efforts to harmonize the CCA/UNDAF with national priorities, and expand pilot initiatives for joint offices to other countries. They underlined the value of joint needs assessments, common tools for crisis/post-crisis situations, integrated databases, and expanding regional coordination to avoid duplication and resource waste.

154. In response, UNDG representatives clarified that an implementation plan for 2005-2007 was being developed with clear, concrete targets and a timeline for implementation of the TCPR recommendations, in accordance with human and financial resource requirements. They noted that lessons learned from joint programming and previous UNDAFs would be collected to improve joint programming guidelines, originally developed in accordance with the first TCPR recommendations.

155. Underlining the importance of national ownership and the alignment of PRSPs with the MDGs, the secretariats stressed that CCA/UNDAF processes were systematically carried out based on national priorities laid out in PRSPs or similar strategies and in line with the commitments of the Millennium Declaration. *DevInfo* had been developed to assist programme countries in monitoring progress at the national level.

156. Regarding the cost-benefits of simplification and harmonization, experience had proven that common premises, common services and joint offices had resulted in lower transaction costs and allowed greater development impact.

United Nations DP/2005/15

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
11 February 2005

Original: English

Annual session 2005
13 to 24 June 2005, New York
Item 1 of the provisional agenda
Organizational matters

Decisions adopted by the Executive Board at the first regular session 2005 (20 – 28 January)

Contents

Number		Page
2005/1	Revision of UNDP financial regulations	2
2005/2	UNDP global programme, 2005-2007	2
2005/3	Report on the assessment mission to Myanmar	3
2005/4	UNDP corporate gender strategy and action plan	3
2005/5	Options for a future business model for the United Nations Capital Development Fund	3
2005/6	Progress report of the Executive Director of the United Nations Office for Project Services	4
2005/7	Third cooperation framework for South-South cooperation	5
2005/8	Implementation of the recommendations of the Board of Auditors	6
2005/9	Reports of the Administrator and of the UNFPA Executive Director to the Economic and Social Council	6
2005/10	Report on joint programming	7
2005/11	Revision of UNFPA financial regulations	8
2005/12	Recovery of indirect costs for co-financing	8
2005/13	Review of the system for the allocation of UNFPA resources to country programmes	9
2005/14	Overview of decisions adopted by the Executive Board at its first regular session 2005	10

05-23652 (E) 030305

2005/1
Revision of UNDP financial regulations

The Executive Board

1. *Takes note* of documents DP/2005/3 and DP/2005/4;

2. *Approves* the proposed revised financial regulations contained therein, with the following exceptions:

(a) Changes to regulations 07 (c) (Commitment of resources against future receipt of contributions);5.07 (b) and 5.

(b) Changes to regulation 20.02 (Exceptions to separation of duties);

3. *Decides* to defer the consideration of proposed changes in paragraph 2 (a) and (b) above to the annual session of the Executive Board in June 2005, pending the review of information requested in paragraph 4 below;

4. *Requests* the Administrator to establish risk guidelines with respect to the proposed changes in paragraph 2 (a) and (b) above, as well as an independent expert assessment of these changes; and

5. *Further requests* the Administrator to keep the financial regulations under active review and to consult accordingly with the Executive Board.

28 January 2005

2005/2
UNDP global programme, 2005-2007

The Executive Board

1. *Having considered* the UNDP global programme 2005-2007 (DP/GP/1);

2. *Decides* to extend the second global cooperation framework (DP/GCF/2 and DP/GCF/2/EXTENSION I) for a further year, until end December 2005;

3. *Requests* the Administrator to take all necessary measures to ensure that the extension of the second global cooperation framework would not have an adverse impact on programme countries;

4. *Also requests* the Administrator to submit to the Executive Board a revised third global programme together with a work plan, in full consultation with Member States, at its annual session of the Executive Board in June 2005 taking into account the Multi-Year Funding Framework 2004-2007 (DP2003/32) and the provision of the TCPR (A/RES/59/250) on, inter alia, national ownership and leadership of the development process; and

5. *Decides* to include in the agenda of the annual session of the Executive Board in June 2005 an item on the global programme.

28 January 2005

2005/3
Report on the assessment mission to Myanmar

The Executive Board

1. *Takes note* of the report on the assessment mission to Myanmar (DP/2005/6) and of the report submitted by the independent assessment mission to Myanmar, in particular the key challenges and recommendations mentioned therein;

2. *Notes* that the Human Development Initiative is highly relevant to improving the situation of the rural poor in Myanmar, and *requests* the Administrator to take account of and implement the findings of the independent assessment mission; and

3. *Requests* UNDP, in expanding the programme, to ensure that quality is maintained, taking into account the findings of the evaluation that took place in 2004.

28 January 2005

2005/4
UNDP corporate gender strategy and action plan

The Executive Board

1. *Recalls* its decisions 2004/21 and 2004/38;

2. *Takes note of* the report contained in document DP/2005/7 and *defers* further consideration of the report to the annual session 2005 of the Executive Board.

28 January 2005

2005/5
Options for a future business model for the United Nations Capital Development Fund

The Executive Board

1. *Takes note* with appreciation of the report on options for a future business model for the United Nations Capital Development Fund (UNCDF) (DP/2005/8), presented in line with Executive Board decision 2004/37;

2. *Recalls* that UNCDF is mandated by the United Nations General Assembly to provide capital assistance, first and foremost to the least developed countries;

3. *Notes* that UNCDF has efficiently and effectively addressed the specific needs of least-developed countries through its local governance and microfinance programmes, thereby playing a clear role in achieving the Millennium Development Goals (MDGs) * at the local level;

*Internationally agreed development goals, including those contained in the Millennium Declaration.

4. *Notes* that UNCDF has harmonized and integrated its operations with those of the United National Development Programme (UNDP) in terms of, among other things, country programming, joint programmes, country, regional and headquarters presence, common shared support services and principles of cost recovery policies, thereby significantly reducing the administrative and procedural burden on the organization and its national partners;

5. *Decides* to maintain UNCDF as an independent organization focused on reducing poverty and achieving the MDGs in the least developed countries;

6. *Requests* the Administrator, on the basis of option 3, sub-option 4 of document DP/2005/8 to provide a detailed implementation plan for this option, including budgetary, legal and programming arrangements, for decision at the 2005 annual session of the Executive Board;

7. *Notes* that the above option would further enhance the efficiency and effectiveness of UNCDF;

8. *Requests* the Administrator to appoint, as soon as possible, a new Executive Secretary for UNCDF;

9. *Stresses* that regular resources, because of their untied nature, will continue to be the foundation of UNCDF programme activities and that the effectiveness of UNCDF hinges on its access to predictable and sustained multi-year funding to finance its programmes in local development and microfinance;

10. *Calls upon* UNDP to assist UNCDF in mobilizing the resources necessary to sustain its current local governance and microfinance activities; and

11. *Calls upon* donor countries and other countries in a position to do so to provide and sustain additional funding support to UNCDF programmes and activities in the least developed countries.

28 January 2005

2005/6
Progress report of the Executive Director of the United Nations Office for Project Services

The Executive Board

1. *Takes note* of the progress report of the Executive Director (DP/2005/9) and of the report of the MCC on the assessment of progress in UNOPS (DP/2005/10);

2. *Welcomes* the significant level of business acquisition in 2004, demonstrating demand for UNOPS services;

3. *Approves* the budget estimates, within which it is indicated that (a) 2005 expenditures will be covered by revenues earned during 2005, and (b) the change management programme remains a priority and will be adjusted according to the availability of funds;

4. *Notes* the concerns expressed by the Management Coordination Committee (MCC) with regard to the attainment of 2005 targets and requests the Executive

Director to provide periodic updates to the Executive Board on UNOPS financial situation during the course of 2005;

5. *Notes* diversity of clients and the trend towards building service provision in emergency and post-conflict situations, and *also* the further progress in defining the corporate strategy and *welcomes* in particular its service provision in transition situations, as well as in development and poverty-reduction environments;

6. Requests the Executive Director to continue to improve the financial management and control systems of UNOPS and the required reporting;

7. Urges UNOPS to remain committed to its audit response and achieve a clean audit for the biennium 2004-2005; and

8. *Requests* the Executive Director to prepare for the September 2005 session of the Executive Board, based on consultations with the MCC, a comprehensive plan of action on further measures to be implemented in 2006 to enhance the efficiency of business operations, ensure cost reductions, continue a change management process, and achieve sustainable financial viability.

28 January 2005

2005/7
Third cooperation framework for South-South cooperation

The Executive Board

1. *Takes note* of the third cooperation framework for South-South cooperation (DP/CF/SSC/3/Rev.1);

2. *Endorses* the proposed framework; and

3. *Requests* the Administrator to include in its report to the High-Level Committee on South-South Cooperation in May 2005 (SSC/14/2) a detailed strategy for the implementation of the framework, including mobilization of resources, and inform the Executive Board thereon;

4. *Also requests* the Administrator to hold periodic consultations with Member States; and

5. *Further requests* the Administrator to report to the Executive Board at its annual session 2006 on progress achieved in implementing the third cooperation framework for South-South cooperation.

28 January 2005

2005/8
Implementation of the recommendations of the Board of Auditors

The Executive Board

1. *Takes note of* the reports of UNDP (DP/2005/11) and the update on that report (DP/2005/CRP.3); of UNFPA (DP/FPA/2005/1) and of the United Nations Office for Project Services (DP/2005/12) on the implementation of the recommendations of the Board of Auditors for the biennium 2002-2003;

2. *Stresses* the importance of adequate follow-up to the recommendations by the United Nations Board of Auditors, in particular in improving internal management control; and

3. *Requests* that future reports on the implementation of the recommendations of the Board of Auditors include an indication of priority of the recommendations and an expected time frame for their implementation.

28 January 2005

2005/9
Reports of the Administrator and of the UNFPA Executive Director to the Economic and Social Council

The Executive Board

1. *Takes note of* the reports of the Administrator and of the UNFPA Executive Director to the Economic and Social Council (E/2005/4-DP/2005/13 and E/2005/5-DP/FPA/2005/2);

2. *Decides* to transmit them to the Economic and Social Council with the comments and guidance provided by delegations at the present session;

3. *Requests* UNDP and UNFPA to maintain a sharp focus with respect to following up on the Triennial Comprehensive Policy Review of the General Assembly as contained in its resolution 59/250; and

4. *Encourages* UNDP and UNFPA to participate actively in the preparatory process leading to the review scheduled for September 2005, of progress made towards achieving the objectives and targets laid out in the Millennium Declaration and the Millennium Development Goals*.

28 January 2005

*Internationally agreed development goals, including those contained in the Millennium Declaration.

2005/10
Report on joint programming

The Executive Board

1. *Takes note* of the report of the Administrator of UNDP and the Executive Director of UNFPA (DP/2004/30-DP/FPA/2004/8);

2. *Recalls* General Assembly resolution 59/250 of 22 December 2004, on the triennial comprehensive policy review of operational activities for development of the United Nations system, which contains the policy framework set by the General Assembly to continue strengthening the joint programming process;

3. *Reiterates* the need to maintain the institutional integrity and organizational mandate of each United Nations agency during the process of joint programming;

4. *Welcomes* the efforts aimed at improving the coherence of the United Nations at the field level and programming efficiency, the avoidance of duplication and the reduction of transaction costs for programme countries, and thus to contribute to better overall results; and *encourages* the Administrator and the UNFPA Executive Director, respectively, to continue to work with governments and other partners towards that end;

5. *Emphasizes* the importance that the Executive Board attaches to the use of joint programming as a tool for supporting the implementation of national development plans, including poverty reduction strategies where they exist, through a more concerted approach under the common country assessment and United Nations Development Assistance Framework, towards achieving the internationally agreed development goals, including those contained in the Millennium Declaration;

6. *Requests*, therefore, that the Administrator and the UNFPA Executive Director, in managing their respective organizations' cooperation with other agencies, ensure that the implemention of joint programming, including joint programmes where appropriate, results in improved development impact, including, where appropriate, to:

(a) Further harmonize country programme preparation, implementation, monitoring and evaluation processes, and improve communication between United Nations agencies during the whole programme cycle;

(b) Effectively deliver programme goals and contribute to the reduction of transaction costs; and

(c) Promote common monitoring and reporting processes to governing bodies and joint approaches to evaluations;

7. *Takes note* of the respective efforts of UNDP and UNFPA in contributing to the continued development by the United Nations Development Group (UNDG) of a common framework, to include a common reporting framework for joint programmes, aimed at improving the impact and efficiency of United Nations system efforts, in partnership with and to support national governments, including efforts to identify circumstances under which joint programmes might be a useful tool, and what improvements in development impact would be achieved through the use of joint programmes;

8. *Emphasizes* the respective mandates of UNDP and UNFPA and their budgetary, financial reporting and evaluation responsibilities, including with respect to joint programmes;

9. *Requests* the Administrator and the UNFPA Executive Director to report on joint programming and joint programmes in the annual reports of UNDP and UNFPA, respectively, to the Executive Board at the annual session 2005, and

10. *Requests* the Administrator and UNFPA Executive Director to submit to the Board, for its consideration at its annual session 2006, a comprehensive report on the implementation of joint programming, as outlined in this decision, and on the UNDG joint programming guidelines, including information on experiences and an analysis of resources allocated to the three options of fund management for joint programmes, and the resulting benefit in development impact or efficiency gains.

28 January 2005

2005/11
Revision of UNFPA financial regulations

The Executive Board

1. *Takes note* of documents DP/FPA/2005/3 and DP/FPA/2005/4;

2. *Approves* the revisions to the financial regulations contained therein, with the following amendment:

Regulation 14.2 (separation of duties):

Delete the phrase: "Unless otherwise expressly authorized by the Executive Director, ".

Add the following subparagraph: "(c) in any case, at least two signatories are required to authorize the expenditure of funds".

3. Regarding the financing of donor agreements (regulation 2.2 F (i)), requests the Executive Director to establish guidelines containing elements such as standards for identifying and assessing risk factors, requirements for mitigating risk as a condition for approval, and limitations on the actual disbursement of cash prior to the receipt of contributions; and

4. *Requests* the UNFPA Executive Director to keep the financial regulations under active review and to consult accordingly with the Executive Board.

28 January 2005

2005/12
Recovery of indirect costs for co-financing

The Executive Board

1. *Takes note* of documents DP/FPA/2005/4 and DP/FPA/2005/5;

2. *Further takes note of* the harmonized cost-recovery principles contained in document DP/FPA/2005/5, recognizing that the adoption of these principles by United Nations organizations constitutes a step towards increased transparency and comparability of cost recovery throughout the United Nations system;

3. *Encourages* UNFPA to intensify consultations for further harmonization of cost-recovery principles within the United Nations Development Group, with the objective of clearly identifying common elements under each cost category and justifying differences resulting from different mandates and operating modalities;

4. *Endorses*, on an interim basis, the UNFPA-specific implementation of these harmonized principles and their application in the recovery policy for indirect costs, consisting of a rate of 5 per cent on nationally executed cost-sharing expenditures financed by programme countries and 7 per cent on all other co-financed expenditures; *confirms* the current rate of 5 per cent for third-party procurement expenditures; and *also confirms* the limits of indirect cost recovery by non-governmental organizations and United Nations agencies, as authorized by the Executive Board in decision 2000/6;

5. *Stresses* that UNFPA must ensure full recovery, at an aggregate level, of all actual costs for implementing activities financed from UNFPA other (non-core) resources;

6. *Requests* the Executive Director to prepare a detailed report, to be presented to the Executive Board at the annual session 2007, that reviews the indirect cost-recovery policy on the basis of the actual data from the Atlas system, proposing amendments, as necessary, based on whether the goal of no cross subsidization is attained and whether there are categories of co-financing activities that have significantly higher or lower indirect costs compared to the rates applied;

7. *Encourages* UNFPA to continue to monitor the level of costs recovered from other (non-core) resources;

8. *Further encourages* UNFPA to continue to refine its strategic cost-management system, including through the implementation of the Atlas system, in order to better attribute indirect costs to programmes and projects; and

9. *Reiterates* that regular resources must remain the bedrock of contributions to UNFPA.

28 January 2005

2005/13
Review of the system for the allocation of UNFPA resources to country programmes

The Executive Board

1. *Takes note* of the report of the Executive Director on the quinquennial review of the UNFPA system for the allocation of resources to country programmes (DP/FPA/2005/6);

2. *Reaffirms* the basic principles of the resource allocation system as contained in the report of the Executive Director (DP/FPA/2005/6);

3. *Approves* the approach, effective January 2005, for resource allocation contained therein, including the mainstreaming of the countries with economies in transition, synchronizing the resource allocation system cycle with the multi-year

funding framework cycle, and amending the indicators and their threshold levels towards meeting the goals of the ICPD, ICPD+5 targets and the internationally agreed development goals, including those contained in the Millennium Declaration;

4. *Endorses* the procedure for categorizing countries into Groups A, B and C, as outlined in the present report;

5. *Approves* the relative share of resources presented in table 4 of the present report (DP/FPA/2005/6);

6. *Recognizes* the efforts of UNFPA to further increase the share of resources to group A countries and *encourages* the Executive Director to pursue ways and means to further increase resources to this group;

7. *Requests* the Executive Director to indicate in the annual reports the share of regular resources to group A countries as well as to state the share of regular resources allocated to the least developed countries and low-income countries;

8. *Recommends* that the distribution of resources to individual countries, and particularly to those changing category, be made in a flexible manner, taking into account the need to ensure that the gains already made are not compromised; and

9. *Requests* the Executive Director to undertake, as needed, in close consultation with all countries concerned, a further review of the system for resource allocation in late 2007, in the context of any forthcoming integration of planning, funding and budget tools.

28 January 2005

2005/14
Overview of decisions adopted by the Executive Board at its first regular session 2005

The Executive Board

Recalls that during the first regular session 2005, it:

Item 1

Elected the following members of the Bureau for 2005:

President: H.E. Ms. Carmen María Gallardo Hernández (El Salvador)

Vice-President: Mr. Andriy Nikitov (Ukraine)

Vice-President: Ms. Ulrika Cronenberg-Mossberg (Sweden)

Vice-President: Mr. Tesfa Alem Seyoum (Eritrea)

Vice-President: Mr. Arjun Bahadur Thapa (Nepal)

Approved the agenda and work plan for its first regular session 2005 (DP/2005/L.1 and Corr.1);

Approved the report of the second regular session 2004 (DP/2005/1);

Approved the annual work plan 2005 (DP/2005/CRP.1);

Approved the tentative work plan for the annual session 2005;

Agreed to the following schedule of forthcoming sessions of the Executive Board in 2005:

Annual session 2005: 13-24 June 2005

Second regular session 2005: 6-9 September 2005

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2005/1 of 28 January 2005 on the revision of UNDP financial regulations;

Took note of document DP/2005/CRP.4 on reporting of UNDP income from cost recovery;

Item 3
Country programmes and related matters

Adopted decision 2005/2 of 28 January 2005 on the UNDP global programme, 2005-2007;

Adopted decision 2005/3 of 28 January 2005 on the report of the assessment mission to Myanmar;

Reviewed the draft subregional programme document for the countries of the Organization of Eastern Caribbean States and Barbados;

Approved the following country programme documents:

Africa: Angola, Burundi, Lesotho, Madagascar, Mauritius;

Asia and the Pacific region: the Democratic People's Republic of Korea, Islamic Republic of Iran, the Philippines, the Republic of Korea;

Europe and the Commonwealth of Independent States: Armenia, Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, the former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro, Tajikistan, Turkmenistan, Uzbekistan;

Latin America and the Caribbean: Argentina, Guatemala.

Item 4
Gender in UNDP

Adopted decision 2005/4 of 28 January 2005 on the UNDP corporate gender strategy and action plan;

Took note of document DP/2005/CRP.2 on the update on the progress achieved in the partnership between UNDP and UNIFEM;

Item 5
United Nations Capital Development Fund

Adopted decision 2005/5 of 28 January 2005 on the options for a future business model for UNCDF;

Item 6
United Nations Office for Project Services

Adopted decision 2005/6 of 28 January 2005 on the progress report of the Executive Director of UNOPS;

Item 7
South-South cooperation

Adopted decision 2005/7 of 28 January 2005 on the third cooperation framework for South-South cooperation;

Joint UNDP/UNFPA segment

Item 8
Recommendations of the Board of Auditors

Adopted decision 2005/8 of 28 January 2005 on the implementation of the recommendations of the Board of Auditors for the biennium 2002-2003;

Item 9
Reports to the Economic and Social Council

Adopted decision 2005/9 of 28 January 2005 on the reports of the Administrator and the UNFPA Executive Director to the Economic and Social Council;

Item 10
Programming process

Adopted decision 2005/10 of 28 January 2005 on joint programming;

UNFPA segment

Item 11
Financial, budgetary and administrative matters

Adopted decision 2005/11 of 28 January 2005 on the revision of UNFPA financial regulations;

Adopted decision 2005/12 of 28 January 2005 on the recovery of indirect costs for co-financing;

Item 12
Resource allocation system

Adopted decision 2005/13 of 28 January 2005 on the UNFPA resource allocation system;

Item 13
Country programmes and related matters

Approved the following country programmes:

Africa: Angola, Burundi, Madagascar;

Asia and the Pacific: Islamic Republic of Iran, the Philippines;

Arab States and Europe: Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Turkmenistan, Uzbekistan;

Latin America and the Caribbean: Guatemala.

Item 14
Other matters

Held the following informal briefings and consultations:

UNDP

Informal consultation on the UNDP global programme;

Informal briefing on the report of the Management Coordination Committee on the assessment of progress in UNOPS;

UNFPA

Informal briefing on reproductive health commodity security;

UNDP and UNFPA

Briefing on the tsunami disaster of 26 December 2004;

Joint meeting

Held a joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP on 20 and 24 January 2005, which addressed the following topics: (a) HIV/AIDS: orphans and women; (b) gender; (c) simplification and harmonization; and (d) transition.

TENTATIVE WORK PLAN
EXECUTIVE BOARD OF UNDP/UNFPA
ANNUAL SESSION 2005
(13 - 24 June 2005, New York)

Day/date	Time	Item	Subject
Monday, 13 June	10:00 am - 1:00 pm	1	ORGANIZATIONAL MATTERS - Adoption of the agenda and work plan for the session - Adoption of the report on the first regular session 2005
			UNDP SEGMENT
		2	MULTI-YEAR FUNDING FRAMEWORK - Midterm report on the multi-year funding framework - Reports of the Joint Inspection Unit - Statistical annex
	3:00 - 6:00 pm	3	FUNDING COMMITMENTS TO UNDP - Status of regular funding commitments to UNDP
Tuesday, 14 June	10:00 am - 1:00 pm	4	PROGRAMMING ARRANGEMENTS - Midterm review of successor programming arrangements
	3:00 - 5:00 pm		UNDP presentation on the findings of survey on MDGs at the country level
	5:00 - 6:00 pm		Informal consultations
Wednesday, 15 June	10:00 am - 1:00 pm	5	HUMAN DEVELOPMENT REPORT
		10	GENDER IN UNDP – Human resources issues (decision 2004/22)
	3:00 – 6:00 pm	7	UNITED NATIONS CAPITAL DEVELOPMENT FUND - Results-oriented annual report
Thursday, 16 June	10:00 am – 1:00 pm	8	UNITED NATIONS OFFICE FOR PROJECT SERVICES - Annual report of the Executive Director
	3:00 – 6:00 pm	9	UNITED NATIONS DEVELOPMENT FUND FOR WOMEN - Midterm report on the multi-year funding framework
Friday, 17 June	10:00 am -1:00 pm	11	EVALUATION - Annual report of the Administrator on evaluation
		12	FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS – UNDP strategic cost management and implications for cost recovery (decision 2004/30)
	3:00 – 6:00 pm		Special event on Post-conflict Peace-building: Role of UNDP (El Salvador experience)
Monday, 20 June	10:00 to 12:00 pm	6	COUNTRY PROGRAMMES AND RELATED MATTERS - UNDP global programme - Draft regional programme document for Europe and the Commonwealth of Independent States, 2006-2010 - Draft country programme documents - Extensions of country cooperation frameworks
	12:00 – 1:00 pm		Informal consultations
	3:00 – 6:00 pm		**JOINT UNDP/UNFPA SEGMENT**
		13	INTERNAL AUDIT AND OVERSIGHT - Reports of UNDP, UNFPA and UNOPS on internal audit and oversight
		14	PROGRAMMING PROCESS - Report on progress in implementing decision 2001/11: Addressing the issue of the timeframe for developing country programme documents
		15	FIELD VISITS

Tuesday, 21 June	10:00 am -1:00 pm		**UNFPA SEGMENT**
		16	ANNUAL REPORT OF THE EXECUTIVE DIRECTOR FOR 2004 - Report of the Executive Director for 2004: Progress in implementing the multi-year funding framework, 2004-2007 - Statistical overview - Reports of the Joint Inspection Unit
	3:00 - 6:00 pm	17	FUNDING COMMITMENTS TO UNFPA - Report on funding commitments to UNFPA
Wednesday, 22 June	10:00 am -1:00 pm	18	COUNTRY PROGRAMMES AND RELATED MATTERS - Draft country programme documents - Note on assistance to Myanmar
		19	OTHER MATTERS - Adoption of pending decisions
		1	ORGANIZATIONAL MATTERS - Working methods of the Board - Adoption of the work plan for the second regular session 2005